Foreign investment in steel sector

1313. SHRI ABU ASIM AZMI: Will the Minister of STEEL be pleased to state:

(a) whether some foreign countries have expressed their desire to invest in the steel sector of the country;

(b) if so, the details thereof; and

(c) the decision taken by Government in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF STEEL (DR. AKHILESH DAS): (a) Some foreign investors have expressed their desire to set up steel projects in the country.

(b) The details of such major foreign investors are:—

(i) POSCO India Limited (a subsidiary of Pohang Steel Company (POSCO) of South Korea) has signed a Memorandum of Understanding with the Government of Orissa, on 22.06.2005, to set up a 12 million tonne steel project in Orissa at an estimated cost of Rs. 51,000 crores.

(ii) Arcellor - Mittal India Limited has signed a Memorandum of Understanding with the Government of Orissa, on 22.12.2006, to set up a 12 million tonne steel project in Orissa at an estimated cost of Rs. 40,000 crores.

(iii) Arcellor - Mittal India Limited has signed a Memorandum of Understanding with the Government of Jharkhand on 08.10.2005, to set up a 12 million tonne steel project in Jharkhand at an estimated cost of Rs. 40,000 crores.

(iv) Sinosteel India Pvt. Ltd., China has expressed interest to set up a 5 million tonne steel project in Jharkhand.

(c) As per the Government's Policy, Foreign Direct Investment (FDI) upto 100% is permitted in the steel sector under the automatic route where no prior aproval is required.

Revival to Kulti works under IISCO Steel Plant

1314. SHRI PRASANTA CHATTERJEE:
SHRI MOHAMMED AMIN:

Will the Minister of STEEL be pleased to state:

(a) whether Government has decided to revive Kulti works, under IISCO Steel Plant (ISP) in near future;

(b) if so, what will be the future products of this plant;

(c) the details of the investment planned so far; and

(d) what kind of technology upgradation is being planned so far and the nature of diversification is being contemplated?

THE MINISTER OF STATE IN THE MINISTRY OF STEEL (DR. AKHILESH DAS): (a) to (d) Yes, Sir. Steel Authority of India Limited (SAIL) Board has accorded in-principle approval for starting production facilities at Kulti; *viz.* Non-Ferrous Foundry, Steel Foundry and required supporting shops like Pattern Shop and Machine Shop. The future products of this plant would be Steel castings, Non-Ferrous castings and engineering spares. The capital

cost has been estimated as at around Rs. 8.88 crore. SAIL proposes to engage Centre for Engineering & Technology (CET), in-house consultants of SAIL, to prepare Comprehensive Feasibility Report which includes technology upgradation/diversification for the products envisaged.

Expansion plan for Rourkela Steel Plant

1315. SHRI RAMDAS AGARWAL:
SHRI RUDRA NARAYAN PANY:

Will the Minister of STEEL be pleased to state:

(a) whether it is a fact that SAIL has rolled out a major expansion plan for Rourkela Steel Plant to augment the capacity;

(b) if so, what is the existing capacity per annum and the proposed expansion plan by 2010 indicating the likely investment to be made;

(c) whether this growth plan will help to boost employment opportunities and recruitment of locals; and

(d) if so, the present employees strength of SAIL and employees likely to be recruited by 2007-10?

THE MINISTER OF STATE IN THE MINISTRY OF STEEL (DR. AKHILESH DAS): (a) and (b) Yes, Sir. The expansion of Rourkela Steel Plant (RSP) has been approved "in-principle" by SAIL Board in May '07. The proposed expansion plan of RSP envisages increase of hot metal production from 2.12 million tonnes per annum (2006-07) to 4.5 million tonnes per annum at an indicative cost of Rs. 7,668 crores.

(c) and (d) Yes, Sir. Employment opportunities for qualified personnel will get a boost as recruitment of technical personnel, Diploma Holders and ITI certificate holders would continue to be carried out for meeting skilled manpower recruitment in view of the modernization/expansion of RSP. Retraining, Redeployment and Multi-skill training will also help in meeting skilled/semi-skilled manpower requirement from the existing employees. In addition to direct employment generation, expansion is likely to create employment opportunity for the ancillary and other support industries in the region.

It may be relevant to mention that while Corporate Plan envisages enhanced production level by expansion/modernization of steel plant, it simultaneously lays emphasis upon achieving higher labour productivity, manpower rightsizing through natural separations and VR and selective recruitments. As such the total manpower strength of SAIL after capacity expansion is likely to be less than the present manpower strength of 130419 as on 1.11.2007. While rationalization would continue further to increase competitiveness, simultaneously selective recruitments shall be undertaken to meet skilled manpower requirement for new projects/modernization.

Accordingly, for meeting manpower requirement for new projects/modernization and existing facilities, provision is made in the recruitment plan under the Annual Human Resource Planning (HRP). Under the Human Resource Plan for 2007-08, the recruitment plan of SAIL is 3260 out of which 250 recruitments are allocated for RSP.